

## America's Economy is On Track and Moving Forward

Over the past four years, we have provided tax relief to every income taxpayer, overcome a recession, opened new markets abroad, prosecuted corporate criminals, raised homeownership to the highest level in history, and – in the last year alone – created 2.2 million jobs for Americans. The President believes we must add to those achievements to keep America the economic leader of the world.

To ensure prosperity for future generations, we must reform institutions – retirement plans, the tax code, our health care system, and worker training programs – that were created for the world of yesterday, not tomorrow. We must transform these systems so that all Americans are equipped and prepared to realize the American Dream.

- The tax cuts the President has signed into law—
  - Reduced the marriage penalty;
  - Reduced the tax burden on families with children by doubling the child tax credit;
  - Cut tax rates for all income tax payers;
  - Cut the top dividend tax rate to 15 percent;
  - Cut the top capital gains tax rate to 15 percent; and
  - Improved incentives for small businesses to invest.
  
- The next steps will further strengthen our economy for lasting job and wage growth:
  - Restraining Federal spending so that more of our resources remain in the hands of the private sector;
  - With rising tax receipts from increased economic growth and restrained spending, we will stay on track to cut the deficit in half by 2009;
  - Making the tax cuts enacted thus far permanent so businesses and families can plan for the future with greater confidence;
  - Reforming the tax system further so that it is simpler, fairer, less costly to administer and comply with, and more pro-growth;
  - Reforming the private pension system so that companies match their future promises to workers with assets for their pension funds today, and so that the Pension Benefit Guaranty Corporation that insures private pension funds is itself financially sound;
  - Enacting tort reform to eliminate the drain on our economy from exorbitant attorney and court costs, and so that businesses can focus more on hiring workers for the future than on hiring lawyers for today;
  - Creating Opportunity Zones to help those regions of the country that have lost a significant portion of their economic base as a result of our changing economy and are now in the process of transitioning to a more broad-based, 21<sup>st</sup> century economy;
  - Increasing access to affordable health care for working families;
  - Pursuing opportunities to open markets to American goods, through bi-lateral, regional, and multi-lateral trade agreements;
  - Pursuing a national energy strategy so that America has access to safe, reliable, and economically sensible energy supplies;
  - Enacting Clear Skies legislation to cut power-plant pollution by 70 percent and help our citizens breathe easier, increase manufacturing jobs, and create a strong future for clean coal;
  - Modernizing the Social Security system through the enactment of voluntary personal retirement accounts and eliminating the system's \$10.4-trillion unfunded liability so the system

will be there for our children and grandchildren, while preserving the current system for anyone 50 years old or older today; and

- Continuing to reduce and simplify Federal regulations.